



State of Wisconsin
Jim Doyle, Governor

Department of Agriculture, Trade and Consumer Protection
Rod Nilsestuen, Secretary

Testimony of Keith Foye
To the Assembly Committee on Agriculture
Monday, April 19, 2010

Good afternoon Chairperson Vruwink and Committee Members: My name is Keith Foye. I am the Chief of the Land Management Section in the Division of Agricultural Resource Management at the Department of Agriculture, Trade and Consumer Protection. Secretary Nilsestuen has asked that I testify for information only regarding Assembly Bill 743 related to processing certain applications for farmland preservation agreements.

The Department is actively implementing the Working Lands Initiative that was included in this biennial budget. Under the new law, all future agreements must be located within an Agricultural Enterprise Area (AEA). These areas are locally identified as lands that should be kept in agricultural use and encourages agricultural development in these areas. AEAs must be officially designated by DATCP through an administrative rule process. For landowners that do enter into a Farmland Preservation Program agreement within an AEA the tax credits will be much more generous than the tax credits they receive under current agreements. In some cases the tax credits will be three times more than they were in the past.

The proposed bill requires the Department to process farmland preservation agreement applications that were submitted to county clerk's offices in the period January 1, 2008 through June 30, 2009, using the laws that were in effect before July 1, 2009. We became aware that under some very localized situations affecting about 75 applications for farmland preservation agreements during the period specified, that applications were caught midway in processing and not forwarded to the Department prior to July 1, 2009, the effective date of 2009 ACT 28.

The Department is very optimistic that going forward with the new law, that agreements within the new Agricultural Enterprise Areas will be a more efficient means to protect our farmland and generate the "neighborhood" collaboration needed to assure that large blocks of farmland remain in agricultural use. Consequently, we are interested in seeing a minimalist approach to address this

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limited problem. To this end, we have been working with staff from Representative Danou's and Senator Kreitlow's offices on an acceptable amendment to AB-743 and its companion bill SB-623.

The Department does not oppose Assembly substitute amendment 1 to AB-743. This amendment restricts the duration of new agreements under the proposed bill to no more than ten years and requires that landowners must respond within 90 days if they wish to finalize their agreements with the department.

The amendment is needed so that DATCP and the Department of Revenue do not have to maintain two parallel programs, the old and the new, running for 25 years, the duration of potential farmland preservation agreements under the old law. It will also allow potential applicants to take advantage of more generous tax credits in place under the Working Lands Initiative as opposed to the previous law.

Thank you for the opportunity to testify today. The Department looks forward to working with you on this issue and answering any questions you may have regarding farmland preservation agreements.